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BUSINESS STATISTICS JULY, 1944.

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C O N T E N T S.

PART I PRIMARY & EXPORT INDUSTRIES.

RURAL INDUSTRIES - GENERAL.

Seasonal conditions. Rail freight concession
on carriage of fodder.

MEAT: Slaughtering "quotas" introduced to regulate prices of
livestock.

COAL: Decrease in production in half year ended June.
Federal grant for development of coal deposits in
South Australia.

DAIRY INDUSTRIES. Butter ration unchanged. Abnormally low
butter production in May.

PART II FINANCE & TRADE.

GENERAL: Second Victory Loan. Redemption of London loans.

COMMONWEALTH ACCOUNTS: Year ended June, 1944.

STATE ACCOUNTS: Year ended June, 1944.

TRADING BANKS: Liabilities and Assets in Australia, May, 1944.

BANK CLEARINGS: June, 1944.

NOTE ISSUE: June, 1944.

REAL ESTATE: Transfers and Mortgages Registered, May, 1944.

PART I - PRIMARY AND EXPORT INDUSTRIES.

Seasonal conditions. In the first half of July a large part of dry areas in the upper half of the State, from the Coast to the Western Plains, received beneficial rain. Drought conditions prevail in the Far West and winter pastures are unfavourable in most areas. There is a good deal of hand feeding of stock. Wheat crops, after satisfactory germination, have been affected by lack of moisture, but the outlook in the northern part of the wheat belt has improved.

RAINFALL INDEX - N.S.W.

Weighted average ratio of actual to normal rainfall.

Normal rainfall each month = 100.

Month	Sheep	Wheat Districts	Dairying (Coastal) Districts
1943 - Dec.	50	32	176
1944 - Jan.	45	28	178
Feb.	58	32	37
Mar.	41	49	50
Apr.	61	80	28
May.	127	135	59
June	16	14	57

To encourage the storage of fodder the State Government has offered a 50% concession in rail freight on the carriage of hay, chaff, ensilage, etc., consigned to farmers and graziers.

MEAT.

A quota system for livestock killing for the local trade was introduced on 17th July. Wholesale and retail slaughterers have been licensed and are required to limit their sales for local consumption to prescribed percentages of their operations in April, 1943. The system has been applied in the County of Cumberland, Newcastle district, and in municipalities and shires in which there are export meat works. Its object is to prevent prices of livestock rising above a level which is excessive in relation to the ceiling prices of meat.

COAL.

Coal produced in N.S.W. (5,200,000 tons) in the first half of 1944 was less than in the corresponding periods of the previous two years; viz. 5,544,000 tons in 1943 and 5,972,000 tons in 1942. The Commonwealth has granted £100,000 to the State of South Australia towards the development of the Leigh Creek coalfield.

DAIRYING INDUSTRY.

The butter ration is to be continued at 6 oz. per week until further notice. It was reduced from 8 oz. on June 5th.

Heavy withdrawals of butter from cold stores for current requirements are reported by the trade.

Butter production in N.S.W. was at the abnormally low figure of 3.9 m. lb. in May, 1944. This was 1.3 m.lb. less than in the previous month and 0.9 m.lb. less than in May, 1943, which was about 30% below each of the two preceding years.

For the eleven months ended May output, 85.3 m.lb. was 4.8 m. lb. (5.3%) less than last year.

Recent heavy rain on the North Coast gives promise of a recovery in production in the early Spring.

BUTTER PRODUCED - N.S.W. FACTORIES.
000,000 lb.

Period	Average '34-5/'36-7	1939-40	1940-41	1941-42	1942-43	1943-44
July to Sept.	18.2	20.3	16.5	15.1	16.5	11.5
Oct. to Dec.	36.6	37.4	27.5	24.0	30.8	33.3
January	15.1	12.6	14.5	6.7	13.0	12.8
February	13.4	10.6	12.8	8.3	10.2	10.2
March	14.0	9.6	11.7	10.1	8.6	8.4
April	10.9	9.2	8.7	8.6	6.1	5.2
May	7.7	7.3	6.8	6.8	4.8	3.9
Total 11 months	115.9	107.0	98.5	79.6	90.1	85.3
Balance of year	5.2	5.0	5.2	5.5	3.7	...
Year	121.1	112.0	103.7	85.1	93.8	...

Australian production of butter, 145,512 tons, in the eleven months ended May, 1944, was 12,048 tons (7.6%) less than last year. Tonnages in the three main States, with decrease as compared with last year in parenthesis, were: N.S.W. 38,037 (2,181), Victoria 47,134 (5,842), Queensland 43,774 (3,761).

Australian cheese production, 1,183 tons, in May, 1944, was 211 tons less than last year, but in the eleven months ended May there was an increase of 759 tons to 34,442 tons.

BUTTER AND CHEESE PRODUCED - AUSTRALIAN FACTORIES.

Year	Month of May.		Eleven months ended May.	
	Butter	Cheese	Butter	Cheese
	Tons	Tons	Tons	Tons
1941/42	10,283	1,900	150,991	27,994
1942/43	7,688	1,394	157,560	33,683
1943/44	6,265	1,183	145,512	34,442

PART II. FINANCE AND TRADE ETC.

The Second Victory Loan is to be opened officially on 26th September. The amount is £160 m. comprising £112.5 m. new money for war purposes and £47½ m. for conversion of maturing loans. Terms are the same as for all war loans since April, 1941; viz., 2½% for short dated securities (4-5 years) and 3½% for long dated (6-16 years).

It has been reported from London that a Commonwealth loan of £8 m. and a Melbourne Tramway Board loan of £1 m. are to be repaid in London on maturity in October. Recently, there has been speculation on the growth of Australia's sterling balances and the possibility of their use in fairly large scale redemptions of overseas debt. Gross "London Funds" of the Commonwealth Bank increased from £A81 m. in May, 1943 to £A144 m. in May, 1944. Against these "gross" amounts there are undisclosed "contras" for current Australian liabilities in London and a contingent liability, probably large, in respect of withdrawals by Allied Servicemen after the war.

New National Security Regulations have been issued to enable the Commonwealth Arbitration Court upon direction to enquire into minimum wage rates for females in essential industries (including those governed by State Awards). The Court may increase the rates where they are found to be unreasonably low in comparison with other industries. It is hoped by the reduction of existing disparities to facilitate the transfer of female labour.

COMMONWEALTH ACCOUNTS.

Expenditure war (£545 m.) in 1943/44 was £17 m. less than in 1942/43 and £25 m. below the budget estimate. Revenue provided £168 m. (£9 m. more than last year) and Loan Fund £377 m. (decrease £26 m.)

Civil expenditure was £114 m., but to this must be added £2.4 m. expended from the National Welfare Fund. The total, approx. £116 m., was £8 m. above last year. Of £27.7 m. contributed by general revenues to the National Welfare Fund, an unexpended balance of £25.3 m. was borrowed for War purposes.

Preliminary official accounts do not show the sources of loan funds. Based on press references, in 1943-44 £307 m. was obtained from public raisings and internal sources (including £25 m. from Nat. Welfare Fund) and £70 m. from Treasury Bills. Last year public raisings yielded £215 m. internal funds £8 m. and Treasury Bills £179 m. The reduction of £110 m. in Treasury Bills in 1943/44 resulted from a decrease in war expenditure, £17 m. and the larger sums provided by revenue £9 m. and public raisings and internal funds, £84 m.

In the five years ended 1943/44, total cost of the war was £1,651 m. of which revenue provided £530 m. and Loan Fund £1,121 m.

/COMMONWEALTH.....

COMMONWEALTH GOVERNMENT ACCOUNTS. (Excl. Taxes reimbursed to States)

£ million.

	1939-40	1940-41	1941-42	1942-43	1943-44	
					Estimate	Actual
War (1939) from -			<u>Expenditure.</u>			
Trust Funds	2.0	3.6	...	...	...	...
Revenue	24.3	65.1	108.6	158.9	167.6	167.9
Loans	28.8	101.6	210.9	402.8	402.3	377.0
Total War	55.1	170.3	319.5	561.7	569.9	544.9
Contribution to Nat.Welfare Fund	...	...	...	...	29.7	27.7
Other Revenue Services	84.7	85.4	101.4	108.6	115.6	114.2
Total Expenditure	139.8	255.7	420.9	670.3	715.2	686.8
			<u>Revenue</u>			
Income	16.4	43.3	77.6	114.6	160.2	151.8
Customs	34.8	29.4	25.2	20.8	17.5	20.6
Excise	19.0	24.4	31.6	44.1	46.5	46.7
Sales Tax	12.2	19.8	26.8	28.8	25.5	27.9
Pay Roll Tax	...	...	9.0	10.5	10.7	10.9
Entertainments Tax	...	...	...	2.4	3.4	3.9
Other Taxes	7.6	8.5	9.2	8.9	8.7	9.1
Total Taxes	90.0	125.4	179.4	230.1	272.5	270.9
Other Revenue	21.9	25.1	30.6	37.4	39.6	39.0
Total Revenue	111.9	150.5	210.0	267.5	312.1	309.9

* £2.4 m. expended and £25.3 m. loaned for war purposes.

STATE ACCOUNTS.

The combined State accounts disclose a surplus of £1.1 m. in 1943/44 - a decrease of £519,000 as compared with 1942/43. The main variation was in the Main Roads Account, in which there was a working surplus of £482,000 in 1942/43 and a deficit of £93,000 in 1943/44.

Revenue increased by £1,944,000 (including Railways £1,668,000, Trams & Buses £135,000, Sydney Harbour £135,000) and Expenditure by £2,463,000 (including Railways £1,605,000 Trams and Buses £182,000, Sydney Harbour £45,000). In the Main Roads Account revenue was £165,000 lower than last year and expenditure was £410,000 higher.

N.S.W. GOVERNMENT ACCOUNTS.

Year ended June.

Accounts	1942/43	1943/44	Increase or Decrease (-)
	£000	£000	£000
Revenue - Consolidated Fund	32,007	32,162	(+) 155
Business Undertakings	41,831	43,785	(+) 1,954
Main Roads	2,767	2,602	(-) 165
Total	76,605	78,549	(+) 1,944
Expenditure - Consolidated Fund	39,906	40,111	(+) 205
Business Undertakings	32,817	34,665	(+) 1,848
Main Roads	2,285	2,695	(+) 410
Total	75,008	77,471	(+) 2,463
Excess of Revenue	1,597	1,078	(-) 519

of Railways, Trams & Buses, Road Transport and Traffic Fund, and Sydney Harbour.

PRIVATE TRADING BANKS.

Seasonal falling off in receipts of rural industries combined with year end tax payments and loan subscriptions caused deposits in private trading banks to decline by £7.8 m. in May, 1944. There were increases in previous months of £5.3 m. in April and £14.m (average) in each of the four months Dec/March. At £536.5 m. in May, deposits were £82.4 m. higher than a year ago.

Advances decreased by £2.4 m. to £225.2 m. (£20.6 m. less than in May 1943) and investments in Government Securities, which had been stationary for six months increased by £3.5 m. to £83.8 m. (£9.7 m. more than last year).

Liquid items decreased by £14 m. (Coins, notes, etc. £3.5 m., Treasury Bills £10.5 m.) of which £7.8 m. was transferred to Special War-time Deposits, making the total of this account £180.2 m. equal to one-third of deposit liabilities.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.
£ million.

Av. of Weekly Figures	Deposits.			Coin, Notes, etc. & Cash at C'wealth Bank.	Treas- ury Bills.	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C'wealth Bank.	Advances Discount etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1940 "	210.3	135.1	345.4	31.1	38.3	43.7	-	289.9
1941 "	204.9	155.1	360.0	33.3	36.1	61.9	-	283.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1943-Feb.	193.6	248.3	441.9	40.5	81.1	61.2	79.0	235.3
Mar.	197.1	262.3	459.4	44.8	82.7	63.2	89.2	234.2
Apr.	197.3	261.6	458.9	30.2	77.6	69.0	95.9	242.4
May	196.3	257.8	454.1	33.3	55.3	74.1	102.0	245.8
1944-Feb.	216.0	311.0	527.0	48.1	75.8	80.5	151.2	222.8
Mar.	218.2	320.8	539.0	45.4	76.0	80.5	164.5	224.4
Apr.	217.7	326.6	544.3	40.6	74.2	80.3	172.4	227.6
May	217.8	318.7	536.5	37.1	63.7	83.8	180.2	225.2

BANK CLEARINGS.

Bank clearings (excluding Treasury Bill Transactions) increased by £114 m. (8.3%) to £1476 m. in the year ended June, 1944. In the previous year there was an increase of £173 m. (14.5%).

The Index (which eliminates the effects of certain special transactions on account of Governments as well as Treasury Bills) was 166 in June Quarter, 1944, as compared with 163 in 1943 and 133 in 1942.

INTER-BANK CLEARINGS - SYDNEY.

Period	Amount of Clearings *			Index +		
	1941-42	1942-43	1943-44	1941-42	1942-43	1943-44
	£m.	£m.	£m.			
Nov.	99.6	105.0	129.3	124	135	149
Dec.	104.9	121.7	127.3	124	136	150
Jan.	92.0	106.7	107.5	123	136	150
Feb.	97.1	105.7	121.2	123	139	147
Mar.	102.6	123.4	130.1	119	138	146
April	95.4	125.3	108.4	125	150	150
May	98.9	123.0	143.6	125	155	158
June	116.6	132.6	140.1	133	163	166
Year	1,189.7	1,362.7	1,476.3	...	...	...

* Treasury Bill transactions deducted. + Three months' moving average,
Base: average in corresponding month 1926-1930 = 100.

NOTE ISSUED.

In the three weeks ended 19th June, 1944, the public holding of Australian notes rose by £5.2 m. to £173.8 m. - i.e. £50 more than at the end of June, 1943, and 5.5 times pre-war.

AUSTRALIAN NOTES HELD BY PUBLIC.

	June 1939	June 1941	June 1942	June 1943	1944			
					Mar.	April	May	June
£ millions	32.7	53.8	86.5	123.9	161.2	166.5	168.6	173.8

REAL ESTATE.

Real estate transfers, £1.8 m., in June, 1944, exceeded the amount £1.3 m. in May and a monthly average of nearly £1.5 m. in the last two years. Mortgages registered (£687,000) in June compare with the monthly average of about £500,000.

Totals for the year (Transfers £17.6 m. and Mortgages £6 m.) were about the same in 1942/43 and 1943/44, but 42% and 70%, respectively, below 1939/40.

REAL ESTATE TRANSACTIONS, N.S.W.

Thousand £.

Period	Transfers Registered				Mortgages (incl. renewals).			
	1939/40	1941/42	1942/43	1943/44	1939/40	1941/42	1942/43	1943/44
December	2,067	2,973	1,260	1,592	1,344	1,242	562	494
January	1,884	2,815	1,226	1,090	1,480	916	595	383
February	2,524	2,472	1,294	1,506	1,428	975	390	611
March	2,464	2,083	1,550	1,552	1,686	996	503	663
April	2,392	2,276	1,517	931	1,560	891	536	302
May	2,909	1,154	1,185	1,307	1,449	526	381	495
June	2,464	1,266	1,358	1,809	1,305	599	400	687
July to June	30,336	39,249	17,673	17,607	19,889	12,834	5,909	6,092